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**STATE OF NEW HAMPSHIRE**

**PUBLIC UTILITIES COMMISSION**

**October 24, 2024** - 1:02 p.m.  
21 South Fruit Street  
Suite 10  
Concord, NH

**RE: DG 24-106**  
**LIBERTY UTILITIES (ENERGYNORTH**  
**NATURAL GAS) CORP. d/b/a LIBERTY**  
**UTILITIES:** Winter 2024-2025 and  
Summer 2025 Cost of Gas.

**PRESENT:** Chairman Daniel C. Goldner, *Presiding*  
Commissioner Pradip K. Chattopadhyay

Ben Martin-McDonough, Esq. and *PUC*  
*Legal Advisor*

Doreen Borden, Clerk

**APPEARANCES:** **Reptg. Liberty Utilities (EnergyNorth**  
**Natural Gas) Corp. d/b/a Liberty:**  
Michael J. Sheehan, Esq.

**Reptg. Residential Ratepayers:**  
Michael J. Crouse, Esq.  
Marc H. Vatter, Dir./Economics & Finance  
Office of Consumer Advocate

**Reptg. New Hampshire Dept. of Energy:**  
Mary E. Schwarzer, Esq.  
Ashraful Alam, Gas Division  
Bruce Blair, Gas Division  
(*Regulatory Support Division*)

Court Reporter: Steven E. Patnaude, LCR No. 52

1			
2		<b>I N D E X</b>	
3			<b>PAGE NO.</b>
4	<b>DISCUSSION RE:</b>	<b>IDENTIFIED ERRORS IN THE FILING</b>	7
5	<b>QUESTION BY CHAIRMAN GOLDNER</b>		12
6	<i>(Re: Adjourning this hearing to a later date without taking testimony)</i>		
7	<b>RESPONSES BY:</b>		
8		Mr. Sheehan	12, 15
9		Ms. Schwarzer	13
10		Mr. Crouse	14
11	<b>QUESTION BY CHAIRMAN GOLDNER</b>		16
12	<i>(Re: Proposal regarding the FPO rate)</i>		
13	<b>RESPONSES BY:</b>		
14		Mr. Sheehan	16
15		Ms. Schwarzer	17
16	<b>QUESTION BY CHAIRMAN GOLDNER</b>		18
17	<i>(RE: Confirmation by the Company regarding numbers in proposed Exhibit 12)</i>		
18	<b>RESPONSES BY:</b>		
19		Ms. Schwarzer	18
20		Mr. Sheehan	18
21		Mr. Crouse	19
22	<b>STATEMENT BY CHAIRMAN GOLDNER</b>		21
23	<i>(Re: Process for the hearing)</i>		
24	<b>WITNESS PANEL:</b>	<b>ROBERT GARCIA</b>	
		<b>ALYSSA E. MASTON</b>	
		<b>JOSHUA J. TILBURY</b>	
		<b>KELLY A. ESPOSITO</b>	
		<b>MARK J. SUMMERFIELD</b>	
	Direct examination by Mr. Sheehan		23
	Cross-examination by Ms. Schwarzer		35
	Cross-examination by Mr. Crouse	57, 65,	67
	Cross-examination by Mr. Vatter	62, 66,	68
	Interrogatories by Cmsr. Chattopadhyay	70,	74

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**I N D E X (continued)**

**PAGE NO.**

**STATEMENTS BY CMSR. CHATTOPADHYAY** 69

**QUESTION BY CHAIRMAN GOLDNER** 72

*(RE: What parties propose to find  
in this order to be issued)*

**RESPONSES BY:**

Mr. Sheehan	72, 73
Ms. Schwarzer	73, 74
Mr. Crouse	73

**QUESTION BY CHAIRMAN GOLDNER** 75

*(Re: Proposing a procedural schedule  
offline after the hearing is over)*

**RESPONSES BY:**

Mr. Sheehan	75
Ms. Schwarzer	75
Mr. Crouse	75

**WITNESS PANEL: BRUCE L. BLAIR  
ASHRAFUL ALAM**

Direct examination by Ms. Schwarzer 78

**WITNESS: MARC H. VATTER**

Direct examination by Mr. Crouse 84

Interrogatories by Cmsr. Chattopadhyay 90

**CLOSING STATEMENTS BY:**

Ms. Schwarzer	95
Mr. Crouse	95
Mr. Sheehan	96

**E X H I B I T S**

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [09-03-24]	<i>premarked</i>
	<b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	
2	Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [09-03-24]	<i>premarked</i>
	[REDACTED - For PUBLIC Use]	
3	Updated Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [10-16-24]	<i>premarked</i>
	<b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	
4	Updated Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [10-16-24]	<i>premarked</i>
	[REDACTED - For PUBLIC Use]	
5	Technical Statement of Marc A. Vatter, with Attachment [10-11-24]	<i>premarked</i>
6	Technical Statement of Ashraful Alam and Bruce L. Blair, with Attachments [10-14-24]	<i>premarked</i>

**E X H I B I T S (continued)**

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
7	NH DOE Final Audit Report on Liberty's DG 22-045, 2023 Summer Period Cost of Gas Reconciliation [03-13-24] <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
8	[ <i>RESERVED</i> for REDACTED version of NH DOE Final Audit Report on Liberty's DG 22-045, 2023 Summer Period Cost of Gas Reconciliation] [03-13-24]	<i>premarked</i>
9	NH DOE Final Audit Report on Liberty's DG 23-076 2023/2024 Winter Cost of Gas Adjustment Reconciliation [09-04-24]	<i>premarked</i>
10	Second Updated Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [10-18-24] <b>{CONFIDENTIAL &amp; PROPRIETARY}</b>	<i>premarked</i>
11	Second Updated Testimony of Robert Garcia and Alyssa E. Maston, with Attachments, and Testimony of Joshua J. Tilbury, Kelly A. Esposito and Mark J. Summerfield, with Attachments [10-18-24] [REDACTED - For PUBLIC Use]	<i>premarked</i>
12	Updated Selected Tables from DOE Technical Statement in light of Company 10-16-24 error	19

1  
2  
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**P R O C E E D I N G**

CHAIRMAN GOLDNER: All right. Good afternoon. I'm Commissioner Goldner. I'm joined today by Commissioner Chattopadhyay.

We're here today for a hearing in Docket Number DG 24-106, which the Commission convened to review Liberty's proposed cost of gas rates for Winter 2024-2025 and Summer 2025.

The authority to convene a hearing in this matter is provided in RSA Chapter 541-A, RSA 374:2, RSA 378:5, and RSA 378:7.

We'll start by taking appearances, beginning with the Company.

MR. SHEEHAN: Good afternoon, Commissioners. Mike Sheehan, for Liberty Utilities (EnergyNorth Natural Gas) Corp.

CHAIRMAN GOLDNER: Thank you. The New Hampshire Department of Energy?

MS. SCHWARZER: Good morning *[sic]*, Mr. Chairman. Mary Schwarzer, Staff Attorney with the New Hampshire Department of Energy.

CHAIRMAN GOLDNER: Very good. And the Office of the Consumer Advocate?

MR. CROUSE: Good afternoon,

1           Commissioners. My name is Michael Crouse, Staff  
2           Attorney for the OCA. Joining me today is the  
3           Director of Economics, Marc Vatter.

4                   CHAIRMAN GOLDNER: Thank you.

5           Okay. In lieu of opening statements,  
6           we want to address the letter we received from  
7           the Department of Energy yesterday, stating that  
8           Liberty had identified errors in its filing, and  
9           had corrected its rates accordingly. As an  
10          initial matter, we would like to hear from  
11          Mr. Sheehan as to what this error is, how it  
12          impacted rates, and what the final rates Liberty  
13          is proposing are. The DOE and the OCA can then  
14          confirm that this comports with their  
15          understanding.

16                   MR. SHEEHAN: Sure. And I can have the  
17          witnesses walk through it as well.

18                  So, last week, in researching an answer  
19          to a question the OCA posed in a tech session,  
20          the Gas Supply folks found a wrong number buried  
21          deep in one of the models that supports the  
22          rates. It was a mistake; they fixed it. As a  
23          result of that, the proposed rate dropped by  
24          about 6 cents. That, all of that information,

1 the updated information, is what's contained in  
2 the last exhibits we filed, numbers 10 and 11.  
3 So, Exhibit 10 is the confidential version.  
4 That's what we think and we are proposing are the  
5 correct rates to be approved today.

6 The reason we did this last-minute  
7 adjustment, this 6 cents is a non-minor change,  
8 and the FPO rate is fixed today. Of course, all  
9 the other rates float, and we can always  
10 accommodate an adjustment through the trigger  
11 filings. The FPO is not. So, we wanted to make  
12 sure we started with the right FPO. We think, in  
13 that it's lower, hopefully, we avoid the issues  
14 last year, where the rate went up and we had to  
15 go through all the new notifications.

16 So, in a nutshell, that's it. I can't  
17 speak to the details. Mr. Tilbury and his team  
18 can.

19 CHAIRMAN GOLDNER: Okay. Would the New  
20 Hampshire Department of Energy like to comment,  
21 and then the OCA?

22 MS. SCHWARZER: Thank you, Mr.  
23 Chairman. Yes.

24 The letter that the Department filed



1           yesterday was specifically to be able to move  
2           today to ask the Commission to only accept  
3           Liberty's 10/18 rates provisionally. And we  
4           anticipate additional discovery and discussion,  
5           with the requested hearing date sometime in  
6           middle to late December.

7                         With regard to the change --

8                         CHAIRMAN GOLDNER: Sorry, Attorney  
9           Schwarzer, let me just verify, first things  
10          first. So, the summary from the Company you  
11          agree with?

12                        MS. SCHWARZER: We don't -- we haven't  
13          had really an opportunity to fully vet it. Given  
14          that there needs to be some rate in effect  
15          November 1st, we are -- we only received notice  
16          on Friday, less than a week ago. I do have a  
17          proposed Exhibit 12, which updates the cost of  
18          gas change percentages, and the bill impact,  
19          consistent with the October 18th update, and to  
20          replace those in our Exhibit 6, which I intended  
21          to offer at some point before --

22                        CHAIRMAN GOLDNER: And we'll get to the  
23          provisional piece in a moment.

24                        MS. SCHWARZER: Okay.

1           CHAIRMAN GOLDNER: Don't worry. But,  
2           in terms of Mr. Sheehan's -- Attorney Sheehan's  
3           proposal with the 6-cent reduction, from a rate  
4           perspective, the Department is in agreement with  
5           that proposal provisionally?

6           MS. SCHWARZER: I think, much like the  
7           Commission, we have to take Liberty's  
8           representation on its face. I think the cover  
9           letter described it as "7 cents". I'm not trying  
10          to argue with you, I just don't think we have  
11          much ability to confirm, apart from what we are  
12          being told by Liberty, which, for the purposes of  
13          this hearing, we are provisionally working with.

14          CHAIRMAN GOLDNER: I understand. Let  
15          me move quickly to the OCA, and then I want to  
16          come back to the provisional issue. Consumer  
17          Advocate.

18          MR. CROUSE: Thank you. Similar to the  
19          Department, the OCA is taking Liberty at its  
20          face. A 6-cent reduction is certainly more  
21          palatable than a 6-cent increase. So, at this  
22          time, we would not object to the course of action  
23          proposed by the Department.

24          CHAIRMAN GOLDNER: Okay. And let me

1 turn, and I'll come back to you, Attorney  
2 Schwarzer.

3 So, the DOE has proposed, as you were  
4 highlighting, that we allow Liberty's proposed  
5 rates to go into effect on a provisional basis,  
6 which the DOE understands means "without a  
7 finding that the proposed rates are just and  
8 reasonable", and continue this hearing until  
9 December to confirm final rates.

10 According to the DOE, Liberty and the  
11 OCA support this approach. We are, the  
12 Commission, open to the suggestion, but we would  
13 just appreciate the parties could address a few  
14 issues.

15 So, first, and I'll address it to the  
16 Company first, relative to the Fixed Price  
17 Option, it would be 2 cents higher than the  
18 6-cent reduction, correct, and it would be fixed  
19 for the six months?

20 MR. SHEEHAN: Correct. And, since we  
21 proposed an FPO that was 2 cents higher to the  
22 former number, that would have the same change.

23 CHAIRMAN GOLDNER: So, it would just --  
24 so, the FPO proposal net net would reduce by

1           6 cents?

2                   MR. SHEEHAN:   Correct.

3                   CHAIRMAN GOLDNER:   Okay.   Any concerns  
4           from the Consumer Advocate or the Department on  
5           the FPO?

6                   MS. SCHWARZER:   Speaking for the  
7           Department, as an offer of proof, the Department  
8           does not have concerns with the FPO population.

9                   CHAIRMAN GOLDNER:   Okay.   Thank you.  
10          Consumer Advocate?

11                   MR. CROUSE:   Not at this time.   Thank  
12          you.

13                   CHAIRMAN GOLDNER:   Okay.

14                   Okay.   Second, if we are to accept the  
15          DOE's suggestion or proposal, we believe we could  
16          adjourn this hearing without taking testimony,  
17          given that we would not be making any factual  
18          findings on just and reasonable rates until  
19          December.   But we would also like feedback on the  
20          issue, and we'll start with the Company.

21                   MR. SHEEHAN:   Sure.   I do think we need  
22          approval of a rate for November 1.   My suggestion  
23          would be to go forward with this hearing as is,  
24          approve the rates as proposed.   I don't have a

1           problem with the "provisional" tag.  If it turns  
2           out it's wrong, we always do fix them.  And, if  
3           the discovery DOE and OCA intend confirms the  
4           existing filing is correct, then no further  
5           action would be needed.

6                        I do think it's a very simple error,  
7           one number was wrong, and it flowed through the  
8           chart, and end of story.  And I get it, that they  
9           don't -- they haven't confirmed that.

10                      But it seems to me the best course is  
11           proceed today in the normal fashion, and allow  
12           for a hearing, if necessary.  And I do think, at  
13           the end of the day, you'll get a report from us  
14           saying "We're good.  No need for a further  
15           hearing."

16                      CHAIRMAN GOLDNER:  Okay.  The  
17           Department of Energy?

18                      MS. SCHWARZER:  Mr. Chairman, we, too,  
19           had contemplated going forward with the hearing  
20           today, to lay the support for the other matters  
21           that are unrelated to the Company's  
22           late-discovered error.  There are some issues  
23           that need to be, I think, highlighted or at least  
24           put on the record for the Commission's

1 consideration. And, if nothing else, it's  
2 helpful to chart where the parties met and  
3 discussed and believe they were as of the  
4 October 16th, the first update.

5 CHAIRMAN GOLDNER: Okay. Thank you.  
6 Attorney Crouse?

7 MR. CROUSE: Thank you.

8 The OCA does not disagree with either  
9 Liberty or the Department. We plan to proceed  
10 with the hearing as currently contemplated. We  
11 didn't have an alternative to suggest at this  
12 time.

13 Thank you.

14 CHAIRMAN GOLDNER: Okay. And we'll  
15 take a break here in a minute so the  
16 Commissioners can confer. But, the proposed  
17 option, the deferral option would mean that --  
18 would provide an opportunity for the parties to  
19 get together, create a procedural schedule over  
20 the next month, kind of work out the finer  
21 points, and then come back in December, and we  
22 could just get through all of fact piece in one  
23 setting.

24 The reason that we were suggesting this

1 is that we'll have to now do this twice. We  
2 would do it today, then we would come back in  
3 December and really do it again. And, so, it  
4 seemed more efficient to just do it once, in  
5 December.

6 But I want to give everyone a chance to  
7 comment, beginning with the Company.

8 MR. SHEEHAN: And I'll start where I  
9 did before. We need a rate for November 1. And,  
10 so, if we just adjourn this hearing, we have  
11 nothing for November 1, and that would be a real  
12 problem.

13 So, and as Ms. Schwarzer said, the  
14 error issue is one small piece, and we can cover  
15 everything else today. So, I mean, in my view,  
16 the unlikelihood of another hearing, it would be  
17 very focused on that one piece. And it would  
18 only happen is if we needed to change a rate that  
19 you approve now. And the only way that would  
20 happen, I think, is if the FPO rate would once  
21 again change based on a fix of our fix.

22 So, right now, we're saying it's the 6  
23 or 7, whatever the number is, reduction. If,  
24 after investigation, that's confirmed, we don't

1           need a hearing.  If, after investigation, it  
2           turns out that should only be a 5-cent reduction,  
3           then, yes, there would be a hearing.  "What do we  
4           do with the FPO rate now?"

5                     All of this could be taken care of in  
6           trigger filings otherwise, because, again, the  
7           rate you approve generally is subject to the  
8           monthly filings, and that can pick up all kinds  
9           of changes, including this.

10                    So, I still think the best course is to  
11           get an order by November 1, and then adjust it,  
12           if necessary, later.

13                    CHAIRMAN GOLDNER:  Okay.  And, then, I  
14           just want to make sure I understood your FPO  
15           proposal.  So, the FPO would be set today, but,  
16           ultimately, in the order.  And, then, would -- if  
17           something changed, and it turned out it was  
18           7 cents, instead of 6 cents, or something like  
19           that, would the Company suggest changing the FPO  
20           rate?

21                    MR. SHEEHAN:  Well, I think that would  
22           be the open question that we'd want the  
23           Commission to weigh in on.  You know, if it's a  
24           one penny change, there's an argument not to.



1 But, from a customer point of view, if it's a  
2 penny less that I have to pay, then that's a fair  
3 comment, too.

4 So, that's what I think would probably  
5 trigger an appropriate hearing, is what do we do,  
6 now that we've got to the bottom of the error,  
7 it's different than what we thought it was today,  
8 what do we do with it, because it affects FPO?  
9 Again, that's the only fixed price you're  
10 approving now, the other ones can all fluctuate.  
11 If there was no FPO, there would be no need to do  
12 this, we would fix the error, pick it up in the  
13 trigger filing and move on. It's just the FPO  
14 piece is a little wrinkle that, in my view, may  
15 cause a second hearing to approve a new FPO rate.

16 CHAIRMAN GOLDNER: Okay. Thank you,  
17 Attorney Sheehan.

18 Attorney Schwarzer, any comments?

19 MS. SCHWARZER: The Department can't  
20 speak to the magnitude of the error, because,  
21 unfortunately, we're just familiar with it.

22 In terms of holding a hearing today and  
23 the need for an order for rates effective  
24 November 1, the Commission -- the Department has

1 updated the winter and summer bill impacts, and  
2 the proposed cost of gas rate 2024-2025, as  
3 compared to the rate for 2023-2024 tables from  
4 our Exhibit 6. And we have marked them as  
5 "Exhibit 12". We have not filed them  
6 electronically.

7 I have paper copies to offer to the  
8 Commission today. And we'd be happy to file it  
9 electronically at the conclusion of the hearing,  
10 if I may approach?

11 I've distributed in advance to the  
12 witnesses here and the other parties.

13 CHAIRMAN GOLDNER: And I suspect that  
14 the Company hasn't had sufficient time to confirm  
15 the numbers?

16 MS. SCHWARZER: They have not, just we  
17 did our best.

18 MR. SHEEHAN: I can jump in. I got the  
19 link from Ms. Maston. She did look it over, just  
20 in the last half hour, and we are comfortable  
21 with the numbers in that. The difference is, we  
22 compared today's price to one prior price, the  
23 DOE did a different comparison. And they've  
24 updated their comparison, and we're good with it.

1                   CHAIRMAN GOLDNER: Okay. Okay. And,  
2                   so, Attorney Schwarzer, you would propose making  
3                   that "Exhibit 12".

4                   MS. SCHWARZER: Yes.

5                   CHAIRMAN GOLDNER: And it sounds like  
6                   the Company has confirmed that Exhibit 12 is  
7                   correct. And, so, we can fix on that. Okay.

8                   MS. SCHWARZER: If I may?

9                   CHAIRMAN GOLDNER: Please.

10                  MS. SCHWARZER: If I may approach and  
11                  offer it to you?

12                  CHAIRMAN GOLDNER: Please. Thank you.

13                  *[Atty. Schwarzer distributing*  
14                  *documents.]*

15                  CHAIRMAN GOLDNER: Thank you.

16                  (The document, as described, was  
17                  herewith marked as **Exhibit 12** for  
18                  identification.)

19                  CHAIRMAN GOLDNER: Okay. The Consumer  
20                  Advocate, any comments from the Consumer  
21                  Advocate?

22                  MR. CROUSE: Yes. Thank you.

23                  The OCA is not able to speak to the  
24                  magnitude of the error. We have certainly taken

1 a look at what Liberty has filed as of last  
2 Friday, and we're still processing.

3 But, unrelated to the Commission's  
4 question, there was still one other matter the  
5 OCA wanted to address before the Commission  
6 confers privately. Consistent with Order 26,898,  
7 from the prior cost of gas docket, which I  
8 believe is DG 23-076, you had requested the  
9 parties to identify additional process with  
10 remedying the -- the Commission calls it a  
11 "booking error", and Liberty calls it an  
12 "accounting error", if the parties couldn't agree  
13 on them.

14 As identified in the OCA's cover  
15 letter, the OCA is currently in disagreement with  
16 both the Department and Liberty, who are  
17 otherwise in agreement, about using winter  
18 customers as an offset against the summer  
19 customers. And, so, we just wanted to make sure  
20 that was flagged for additional process, should  
21 the Commission, in its judgment, decide to handle  
22 this in December, as opposed to today.

23 CHAIRMAN GOLDNER: Okay. Thank you,  
24 Attorney Crouse.

1           Okay. We'll take a brief break, coming  
2 back at 1:30. And off the record.

3           *(Recess taken at 1:19 p.m., and the*  
4           *hearing reconvened at 1:32 p.m.)*

5           CHAIRMAN GOLDNER: Okay. So, here's  
6 what we're going to do today. We're going to  
7 have an abbreviated hearing today, to set  
8 provisional rates for November 1st, for both the  
9 regular option and the FPO. And, so -- and  
10 that's all the testimony that we need to hear  
11 today. Everything else will be deferred to a  
12 later time.

13           So, without any further adieu, I can  
14 swear in the witnesses, unless the parties have  
15 any other comments to make before we move  
16 forward?

17           Attorney Crouse.

18           MR. CROUSE: Thank you. I think it's  
19 just due to the illness. I just wanted to repeat  
20 what I heard. It sounds like we're just  
21 addressing the provisional rate that could be  
22 approved, everything else is being carved out?

23           CHAIRMAN GOLDNER: Yes, sir.

24           MR. CROUSE: Thank you.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 CHAIRMAN GOLDNER: All right. Very  
2 good.

3 So, I'll now swear in the witnesses.

4 (*Whereupon **ROBERT GARCIA,***  
5 ***ALYSSA E. MASTON, JOSHUA J. TILBURY,***  
6 ***KELLY A. ESPOSITO, and **MARK J.*****  
7 ***SUMMERFIELD** were duly sworn by*  
8 *Chairman Goldner.)*

9 WITNESS GARCIA: I do.

10 WITNESS MASTON: I do.

11 WITNESS TILBURY: I do.

12 WITNESS ESPOSITO: I do.

13 WITNESS SUMMERFIELD: I do.

14 CHAIRMAN GOLDNER: Thank you. The  
15 witnesses are ready for direct.

16 MR. SHEEHAN: Thank you.

17 Unfortunately, we still have to go through the  
18 name, rank, and serial numbers. So, we'll do  
19 that efficiently.

20 **ROBERT GARCIA, SWORN**

21 **ALYSSA E. MASTON, SWORN**

22 **JOSHUA J. TILBURY, SWORN**

23 **KELLY A. ESPOSITO, SWORN**

24 **MARK J. SUMMERFIELD, SWORN**

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

**DIRECT EXAMINATION**

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BY MR. SHEEHAN:

Q We'll start with you, Mr. Garcia. Please introduce yourself and your position with Liberty?

A (Garcia) Good morning *[sic]*. Robert Garcia. I'm Manager of Rates and Regulatory Affairs for Liberty.

Q Mr. Garcia, did you participate -- well, your name appears on testimony and exhibits that have been filed several times: Initially, Exhibits 1 and 2, and then Exhibits 3 and 4, and then Exhibits 10 and 11. Is that correct?

A (Garcia) That's correct.

Q And the purpose of those testimonies, if I can summarize, is to take information from the Energy Procurement folks to your left, of how much gas we may use and the pricing, and convert that into rates that we'll charge our customers, is that right?

A (Garcia) That's correct.

Q And, with regard to the cost of gas rate, it is, in effect, a prediction of what it will be, and over the course of the season we ultimately

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           reconcile, so that customers only pay exactly  
2           what we paid for the gas, simplistically?

3   A       (Garcia) That is correct.

4   Q       Okay.

5   A       (Garcia) It's a forecast. I don't know if I  
6           would call it a "prediction", but, yes.

7   Q       Okay. Better word. Just quickly, explain why we  
8           had to do the first updated filing, which was  
9           October 16th, a week ago?

10   A       (Garcia) So, the first updated filing was filed  
11           after the target date for updates, which was, I  
12           believe, September 27th, due to a couple  
13           circumstances. Primarily, when we received, I  
14           believe it was on October 14th, the DOE tech  
15           statement, we realized that, based on the  
16           understanding we had reached with DOE that  
17           Mr. Crouse had alluded to earlier, and some  
18           additional changes that came up with respect to  
19           reductions in the interest rate, that the best  
20           thing to do would be to update the testimony as  
21           soon as possible, prior to the second tech  
22           session.

23                        So, it was primarily done in good faith  
24           to meet our agreement with -- or, understanding,



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           however it should be captured or characterized,  
2           excuse me.

3    Q       And stated differently, stated differently, there  
4           were some suggested changes, and we said "Okay,  
5           we're okay with those changes", and we made them?

6    A       (Garcia) Yes.

7    Q       Okay.  And, -- okay.  Ms. Maston, I'll turn to  
8           you now.  Please introduce yourself and your  
9           position?

10   A       (Maston) My name is Alyssa Maston.  I am an  
11           Analyst II in the Rates and Regulatory Department  
12           at Liberty Utilities.

13   Q       And, Ms. Maston, did you -- excuse me -- did you  
14           also participate in the testimony with Mr. Garcia  
15           that appears at Page 1 of those various exhibits,  
16           1, 2, 3, 4, 10, and 11?

17   A       (Maston) Yes, I did.

18   Q       And do you generally agree with Mr. Garcia's  
19           explanation for why we made the first updated  
20           filings?

21   A       (Maston) Yes, I do.

22   Q       I'm going to have Mr. Tilbury explain why we made  
23           the second updated filing.  But, after Mr.  
24           Tilbury did his work, did you again update the

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 rates that we're asking the Commission to  
2 approve?

3 A (Maston) Yes, I did.

4 Q And is that what's contained in your part of the  
5 last exhibits, 10 and 11?

6 A (Maston) It is.

7 Q Can you point the Commission to where they can  
8 find the rates that we're asking the Commission  
9 to approve in Exhibit 10, to go in effect on  
10 November 1?

11 A (Maston) Yes. There is a table on Bates Page  
12 006, in Exhibit 10, which summarizes all of the  
13 rates that we are proposing for approval today.

14 Q And is there another place in the filing where  
15 the Commission can see bill impacts for those, if  
16 those proposed rates are approved?

17 A (Maston) Yes. The DOE's Exhibit 12 is a  
18 summarized version of our updated bill impacts.  
19 You can also see those in Schedule 8 of our  
20 filing, which is on, I've got to get there,  
21 begins on Bates Page 078 for the peak season, and  
22 Bates Page 132 for the off-peak season.

23 Q And, when we do bill impacts, we're comparing the  
24 proposed rates with some earlier rates, is that

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 correct?

2 A (Maston) Yes. We are comparing them with the  
3 actual or estimated rates from the prior season.

4 Q And sometimes we compare them to the rates  
5 approved in the prior season, sometimes we  
6 compare them to the rates actually billed over  
7 the course of the prior season. There are a few  
8 ways we could do a bill comparison, is that fair?

9 A (Maston) Yes.

10 Q And what the DOE has presented in Exhibit 12 is  
11 just a different flavor of a bill comparison?

12 A (Maston) Yes. The table I mentioned on Bates  
13 Page 006 compares the original approved rates to  
14 our proposed rates. Exhibit 12 compares the  
15 average rates that were actually billed  
16 throughout the whole previous season to the  
17 current proposed rates.

18 Q And they're both accurate for what they are?

19 A (Maston) Yes.

20 Q Okay. Thank you. Mr. Tilbury, please introduce  
21 yourself and your position with Liberty?

22 A (Tilbury) Joshua Tilbury. I am the Director of  
23 Energy Procurement for Liberty Utilities' gas  
24 utilities.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q And, Mr. Tilbury, your responsibilities include  
2 EnergyNorth, Keene, and other Liberty affiliates,  
3 is that correct?

4 A (Tilbury) That's correct.

5 Q And where else do you have responsibilities for  
6 gas procurement?

7 A (Tilbury) Liberty has seven gas utilities in  
8 eight different states and providences [sic].  
9 And, so, that would be New Brunswick, New York,  
10 New Hampshire, New England -- Massachusetts,  
11 Georgia, our Mid-States properties that consist  
12 of Missouri, Illinois, and Iowa, and then Empire  
13 Gas, which is also Missouri.

14 Q Thank you. Your name appears on the various  
15 exhibits I've mentioned. Your testimony, with  
16 your colleagues, begins I think on Page 23 of  
17 each of those. Did you prepare that testimony  
18 and the schedules, with the help of your  
19 colleagues?

20 A (Tilbury) Yes.

21 Q And is it fair to say that the overall objective  
22 of your group's testimony is to estimate the  
23 amount of gas we will sell over the summer or  
24 winter period, and estimate a price that could be

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           paid over the course of those periods?

2    A       (Tilbury) It is.

3    Q       And, then, you hand that off to Mr. Garcia and  
4           Ms. Maston to calculate rates?

5    A       (Tilbury) We do.

6    Q       Can you give us a quick checklist of the pieces  
7           that go into those two numbers, the load forecast  
8           and a pricing forecast?

9    A       (Tilbury) Yes. We come up with a forecasted  
10           volume for the upcoming season for the cost of  
11           gas. We also come up with a forecasted price.  
12           Both of those are plugged into a SENDOUT model  
13           that does a least-cost dispatch, according to the  
14           way -- it has essentially perfect knowledge,  
15           because it has the total volume that we're  
16           planning on sending -- the sendout, and then it  
17           also has a future price.

18                   And, again, they're all forecasts, and,  
19           you know, presumably will change between now and  
20           the actual time. And they can change for a lot  
21           of different reasons.

22   Q       So, the goal is to come up with the best forecast  
23           you can. But, as you say, ultimately, it is a  
24           forecast that will change over the course of a

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 season?

2 A (Tilbury) That's right.

3 Q We've had some discussion over the so-called "\$6  
4 million error" that was discovered. Could you  
5 give us a high-level description of what the  
6 error was and, yes, just start there?

7 A (Tilbury) Yes. When we were doing research into  
8 a data request that we were receiving following  
9 the tech session, and while we were going through  
10 the schedules in the Excel spreadsheet, we came  
11 across two numbers that stood out that were in  
12 the volumetric commodity cost section. And,  
13 again, that's the costs associated with moving  
14 the gas across pipelines.

15 And right above that section is the  
16 cost of that commodity associated with this one  
17 package, and the package that I'm referring to is  
18 the baseload of our hedged gas that we get for  
19 January and February. We purchase 10,000 a day  
20 for the month of January and 5,000 a day for the  
21 month of February. And we noticed that those two  
22 boxes were the same, the commodity costs, and  
23 also the volumetric commodity costs.

24 And, when we saw that, we realized that

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 those two months were inaccurate. This gas is  
2 actually delivered to our citygate. So, there  
3 are no volumetric charges associated with that,  
4 because that is borne by the person moving the  
5 gas, the supplier, if you will. And, so, we went  
6 in and made the correction.

7 And, so, the actual costs of the  
8 commodity for those two months is what totals the  
9 6 -- little over \$6 million. Since that \$6  
10 million was captured in the "volumetric commodity  
11 cost" box, we took that to zero, and,  
12 essentially, then that reduced the overall cost  
13 \$5 to \$6 million, resulting in, I believe, the  
14 7 cent change in rates.

15 Q And back to you, Ms. Maston and Mr. Garcia, when  
16 Mr. Tilbury sent that information back to you,  
17 that's when you recalculated the rates that  
18 you've just pointed the Commission to a few  
19 minutes ago?

20 A (Garcia) That's correct.

21 Q And, as we've said in the -- maybe a little  
22 loosely earlier, that resulted in a reduction of  
23 what?

24 A (Garcia) Seven cents.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q Okay. And, so, the Exhibit 10 schedules include  
2 the fix to what Mr. Tilbury just described?

3 A (Garcia) Yes. They reflect the updated rates.

4 Q Okay. Ms. Esposito, I'll turn to you. Please  
5 introduce yourself and your position with  
6 Liberty?

7 A (Esposito) My name is Kelly Esposito. And I'm a  
8 Manager in the Energy Procurement Department.

9 Q And, Ms. Esposito, your name also appears on the  
10 various testimonies, is that correct?

11 A (Esposito) That's correct.

12 Q And you participated in the work that resulted in  
13 Exhibits 1, 2, 3, 4, 10, and 11?

14 A (Esposito) That's correct.

15 Q What piece of the work was your responsibility?

16 A (Esposito) I pulled the data for the pricing, a  
17 lot of the pricing, verifying the volumes on the  
18 contracts, and making sure that the tariff rates  
19 that were used in the variable costs were  
20 included and updated.

21 Q Ms. Esposito, you have not testified here before,  
22 is that correct?

23 A (Esposito) That's correct.

24 Q How long have you been working with Liberty in



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 this area?

2 A (Esposito) Thirteen years.

3 Q Which goes back to the beginning of Liberty in  
4 New Hampshire?

5 A (Esposito) Correct.

6 Q Thank you. Mr. Summerfield, the same question,  
7 could you introduce yourself?

8 A (Summerfield) I am Mark Summerfield. I'm the  
9 Supply Operations Manager for all Liberty's gas  
10 utilities.

11 Q And you, too, have not sat in that chair before,  
12 is that correct?

13 A (Summerfield) Not in the State of New Hampshire,  
14 no.

15 Q Okay. And how long have you been with Liberty?

16 A (Summerfield) The same, thirteen years, since the  
17 beginning. I think I was three months behind  
18 Kelly.

19 Q Okay. What role did you play in the testimonies  
20 that was of the three of you?

21 A (Summerfield) We were involved in helping Kelly  
22 with the prices, the rates, make sure the  
23 contracts are being used, and the SENDOUT model  
24 data.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q And you, informally with me just a few minutes  
2 ago, ticked off all of the forecasts that go into  
3 your work. Could you just repeat that?

4 A (Summerfield) Yes. So, the forecasts we're  
5 talking about is we take a weather forecast, and,  
6 based on the weather forecast, we forecast the  
7 sendout. Based on the sendout, run a price  
8 forecast, we then do a dispatch forecast. And,  
9 in addition to that, because we have a Canadian  
10 asset, there's also a forecast of exchange rates  
11 in there. So, the forecast we produce is based  
12 upon five individually forecasted numbers feeding  
13 into each other.

14 Q And that's all, back to what I said before, the  
15 goal of getting as good a forecast and pricing as  
16 you can for the upcoming season?

17 A (Summerfield) Yes.

18 Q Okay. Mr. Tilbury, are you comfortable that the  
19 results of your work, as embodied in Exhibit 10,  
20 is sufficient on which to base the rates that  
21 we've asked the Commission to approve?

22 A (Tilbury) I do.

23 MR. SHEEHAN: Thank you. I have no  
24 further questions.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 CHAIRMAN GOLDNER: Thank you. We'll  
2 move to cross, beginning with the New Hampshire  
3 Department of Energy.

4 MS. SCHWARZER: Thank you, Mr.  
5 Chairman.

6 I did want to raise that Exhibit 8,  
7 which is a redacted version of confidential  
8 Exhibit 7, is to be prepared by the Company, but  
9 I don't believe has been filed yet. But I did  
10 want to put that on the record at this time.

11 CHAIRMAN GOLDNER: Okay. Thank you.

12 MS. SCHWARZER: Okay. And, with regard  
13 to the testimony that's just been offered, while  
14 we certainly appreciate it, this is the very  
15 first time we've heard it. And we are wholly  
16 unfamiliar with the cause of the error.

17 CHAIRMAN GOLDNER: I understand. And  
18 we're hearing today just on the provisional rates  
19 for November 1st. So, understand.

20 MS. SCHWARZER: Thank you, Mr.  
21 Chairman.

22 **CROSS-EXAMINATION**

23 BY MS. SCHWARZER:

24 Q I appreciate the statement that the Company is

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           confident in these rates. Could the Company  
2           perhaps just describe why it's confident that  
3           this is the only error in what's been presented,  
4           and the sort of review that would assure you of  
5           that?

6    A       (Tilbury) I think, you know, we go through the  
7           document, you know, when we put it together, as  
8           thoroughly as we possibly can, understanding that  
9           this is a very large, complicated, data-driven  
10          document, with thousands of lines of data in it.  
11          And, through the tech sessions and going back  
12          through and reviewing it, we came across the one  
13          error that was on there. And, if we find -- that  
14          was material. And, then, we also, you know, have  
15          seen other things that are not material in here  
16          that don't affect the cost of gas or that are not  
17          substantial with anything. And, once we've been  
18          through that so many times, that, you know, it's  
19          all based on forecasts. And we feel comfortable  
20          that it's a good forecast for what we're looking  
21          for for the upcoming period.

22    Q       Is there any sort of systemic comparison to  
23           market rates or other proposed rates in the  
24           region that might have caught this sort of error,

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 absent the review that you did to answer I  
2 believe it was an OCA data request?

3 A (Tilbury) The answer is "no". It was a mistake  
4 on the spreadsheet, where we attributed a  
5 commodity cost in a volumetric box that should  
6 have had zeros in the volumetric box, for the  
7 costs associated with moving that gas across an  
8 interstate pipeline. This gas is delivered to  
9 the citygate.

10 And, so, the only way to have caught  
11 that is for it to stand out, and it did, when we  
12 went through it after the tech session. It stood  
13 out to us that, you know, when you look at the  
14 other columns on the Excel spreadsheet, they are  
15 much lower, and this was higher. And, when Ms.  
16 Esposito and I were reviewing it, we were like  
17 "That doesn't look right." And, so, then we  
18 brought it to the attention of the Regulatory  
19 team, and we moved forward with trying to get the  
20 most accurate rates that we can.

21 Q And I do appreciate that you noticed it. And I  
22 guess I'll move on and reserve for future  
23 discovery what framework Liberty might have to  
24 recognize that sort of error without a directed

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 data request.

2 I believe the Company has asserted that  
3 the error only affects the winter seasonal rates.  
4 Why is that? And why are you confident that  
5 that's the case?

6 A (Tilbury) The error is just in two months,  
7 January and February. It's for our hedge-based  
8 load volume that we have, and those are the only  
9 two months where that gas flows.

10 Q Did you have an opportunity to review the similar  
11 entries for the summer months when you were  
12 noticing this error?

13 A (Tilbury) We don't have any hedged baseload  
14 Dracut volumes in the summertime. It is only a  
15 winter hedge.

16 Q Thank you. I don't know if the witnesses on the  
17 panel, if all of you are aware that this is the  
18 second year in which Liberty notified the  
19 Commission and the Department of an error of a \$5  
20 to \$6 million magnitude less than a week before  
21 hearing. Are you all familiar with that?

22 A (Garcia) Yes. I am.

23 Q Are others? Anybody else?

24 A (Maston) I am as well.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 A (Tilbury) I was in the audience last year for the  
2 cost of gas hearing.

3 A (Esposito) Yes.

4 Q I couldn't hear you.

5 A (Esposito) Yes.

6 A (Summerfield) Yes.

7 Q And do you have any comments at this time as to  
8 the sort of review that might prevent that going  
9 forward?

10 A (Garcia) I guess I'd say the nature of the errors  
11 were different, and they came from different  
12 sources. Last year's error, which, you know, I  
13 think we had recently talked about, or my  
14 colleague, Ms. Maston, spoke of at length in the  
15 23-076 hearing, was an error on the accounting  
16 side. That had to be fished out through very  
17 meticulous review.

18 And my former colleague, Mr. King,  
19 realized that that hadn't been done on an issue  
20 that he was familiar with previously from having  
21 worked the Keene case. And he caught it there,  
22 and didn't realize it hadn't -- it was still an  
23 issue in the night before the hearing last year.

24 Q Does anybody else on the panel wish to comment?

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1                    [No verbal response.]

2                    MS. SCHWARZER:  And I do want to say  
3                    that the Department certainly appreciates Liberty  
4                    being very forthcoming and bringing these errors  
5                    to our attention.  It's much better to implement  
6                    a provisional rate that's 7 cents lower, than it  
7                    is to go forward with the concern that had it not  
8                    been expressed.  So, we really do appreciate  
9                    that.

10                   I'm going to move on to some different  
11                   questions that I had for the panel, with the  
12                   Chairman's permission, with regard to  
13                   establishing the rate to be in place today -- the  
14                   provisional rate recommended today.

15  BY MS. SCHWARZER:

16  Q                I would like someone on the panel, who is best  
17                    equipped to address this, to verify that the  
18                    rates that are proposed for effect on  
19                    October 18th do not include what parties to this  
20                    docket have, in a different docket, proposed to  
21                    be an on-bill summer credit of about 6.8 --  
22                    \$6.3 million.  So, that has not been included  
23                    here in the summer over-collection, correct?

24  A                (Garcia) I'm sorry, did you say "October 18th"?



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q Yes, the October 18th filing.

2 A (Garcia) Oh, "filing". I'm sorry.

3 Q Yes. The October 18th filing, the rates that we  
4 plan to make provisionally effective  
5 November 1st, do not include the money  
6 anticipated to be refunded in Docket Number  
7 23-076 as a summer on-bill credit, pending an  
8 order from the Commission?

9 A (Maston) That pending credit that would affect  
10 the summer rates has been reflected in the  
11 beginning balance that is used in the summer rate  
12 calculation. The rates calculated would have  
13 been inflated quite a bit if that had not been  
14 backed out. And, so, these rates do take into  
15 account that summer credit that has been  
16 proposed. And I believe there was a data  
17 response filed to that effect.

18 Q And just to make -- maybe I'm using different  
19 language than you, the Company has backed out the  
20 money that would be used to make the summer  
21 on-bill credit payment, so these proposed rates  
22 do not reflect that?

23 A (Maston) Yes.

24 Q And were, for some reason, the Commission to

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 change the relief requested in that other docket,  
2 these rates would need to be adjusted and  
3 reconsidered. And I believe the party has put  
4 that in testimony, and I believe the Department  
5 has put that in a technical statement. Would you  
6 agree that we would -- the rates would -- the  
7 Summer 2025 rates would need revision?

8 A (Maston) Yes. They would need to be adjusted if  
9 the credit were not to be approved.

10 Q I would like you to turn your attention to what's  
11 been marked "Exhibit 6", which is the  
12 Department's technical statement. And our  
13 witnesses will have some corrections made to the  
14 statement, but just looking at it right now on  
15 its face. If you go to the "Recommendation"  
16 section on Page 7 and 8, --

17 CMSR. CHATTOPADHYAY: Can you tell us  
18 the exhibit number please?

19 MS. SCHWARZER: Yes. It is the  
20 Department's Exhibit 6, Page 7 and 8.

21 BY MS. SCHWARZER:

22 Q Would the panel agree that this technical  
23 statement was filed October 14th, and that the  
24 recommendation conditionally approved the

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 proposed rates with a few issues enumerated on  
2 Page 7 and 8?

3 A (Garcia) That's correct.

4 Q And the Company's October 16th updated filing  
5 addressed the concerns that the Department raised  
6 in its recommendation, as previously discussed  
7 with your counsel, correct?

8 A (Garcia) That is correct.

9 Q And, so, one of those adjustments was to  
10 recalculate the impact of the switch in prime  
11 interest rates for Winter '24-'25 and Summer 2025  
12 to the most current prime interest rate of 8  
13 percent?

14 A (Garcia) That is correct.

15 Q And the second one was that the Company verify  
16 that the net difference in interest cost  
17 adjustment of nearly \$32,000 was not included in  
18 the cost of gas calculations?

19 A (Maston) It was included in the original filing.  
20 And, so, on the 10/16 updated filing, it was  
21 removed.

22 Q And, said another way, you backed out \$32,000  
23 from the winter under-collection?

24 A (Maston) It was \$32,000 that was backed out

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 between the summer and winter, most of it came  
2 from winter. I think about 1,000 of that was  
3 attributable to summer, just to balance  
4 everything.

5 Q Thank you. And, then, the third point was that  
6 the Department asked the Company to verify that  
7 the rate proposed in the current -- excuse me --  
8 that the cost of gas rate proposed included the  
9 current approved LDAC rate in Docket Number  
10 23-076, and not the proposed rate in Docket  
11 Number 24-098 for future period February 1, 2025  
12 to October 31st, 2025?

13 A (Garcia) And that was corrected in the updated  
14 filing.

15 Q And, when you say the "updated filing", that's  
16 the October 16th filing?

17 A (Garcia) Yes.

18 Q Thank you. I do want to spend a little time  
19 talking about the interest cost adjustment that  
20 was made. And I'd like to direct your attention  
21 to Exhibit 6, Bates Page 124, which is a *pdf*,  
22 which is very small, and the corresponding live  
23 Excel, Exhibit 6 live Excel, response to  
24 DOE 1-16b.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1                   And I'll just wait while everyone  
2 catches up with that request.

3                   MR. CROUSE: Pardon the interruption.  
4 Attorney Schwarzer, what was the Bates number?

5                   MS. SCHWARZER: The Bates page number  
6 was 124 of Exhibit 6.

7                   MR. CROUSE: Thank you.

8                   MS. SCHWARZER: Sure. And the  
9 corresponding live Excel was filed as "Exhibit 6"  
10 live Excel "DOE 1-16b\_cost of gas".

11 BY MS. SCHWARZER:

12 Q       If the panel is ready, can you let me know,  
13 there's a number at the bottom of the Excel  
14 spreadsheet, and on the *pdf*, "\$32,057.28". What  
15 does that number represent?

16 A       (Maston) That number represents the net  
17 difference between the variance between the  
18 interest that was booked to the GL that reflected  
19 the effects of this accounting issue that  
20 occurred last year, as compared to the interest  
21 that has been recalculated, based on neutralizing  
22 the effects as if that accounting issue had never  
23 happened. And, so, comparing the actual interest  
24 to the adjusted interest, for both the winter and

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 summer seasons, the individual adjustments are in  
2 the 700 to \$800,000 range, in opposite  
3 directions. And, so, the \$32,000 is the net of  
4 those two adjustments to the winter and the  
5 summer periods.

6 Q And why did the Company make that calculation?

7 A (Maston) The Company was asked to true up the  
8 interest, to make sure that customers are not  
9 receiving any --

10 A (Garcia) Harm.

11 A (Maston) -- harm as a result of this accounting  
12 error. And that stemmed from that Order, I  
13 believe, 26,898, from DG 23-076.

14 Q And just for the record, but, to be clear, the  
15 accounting error you reference is the SAP  
16 accounting error that was identified last year,  
17 on October 19th?

18 A (Garcia) Yes. "SAP-induced", I guess you could  
19 say.

20 Q And can you just walk through -- or, I'll just  
21 restate it, and you can tell me if I got it  
22 right. The calculations that you have done  
23 showed that the interest entry, I think it's for  
24 the winter, was, excuse me, \$791,394.50, and, for

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 the summer, was \$779,331.71. Is that correct,  
2 Ms. Maston?

3 A (Maston) Yes. Those entries were made  
4 provisionally by the Accounting Department during  
5 our year-end close.

6 Q And, when you netted it, as you said, the  
7 approximately \$32,000, was something that Liberty  
8 had initially proposed that winter customers owed  
9 the Company, is that correct?

10 A (Maston) Yes.

11 Q And, at the Department's request, Liberty agreed  
12 to forgo that \$32,000 payment?

13 A (Maston) Yes.

14 Q Thank you. And, so, is it Liberty's position  
15 that, as a result of the calculations here,  
16 winter customers were not harmed by the SAP  
17 accounting error?

18 A (Maston) Yes.

19 Q Thank you. Has Liberty fully contracted for the  
20 anticipated requirements for winter 2024-'25 at  
21 this time?

22 A (Tilbury) Yes.

23 Q Thank you. Before we turn to the cost of gas, I  
24 do want to go through what's been marked

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 "Exhibit 7" and "Exhibit 9", which are the  
2 Department's audits of Liberty's reconciliation  
3 reports, as filed relevant to this docket.

4 CHAIRMAN GOLDNER: Just checking,  
5 Attorney Schwarzer, as a time check. Does this  
6 help with the provisional aspect of the rates, or  
7 is this really more related to the permanent  
8 rates?

9 MS. SCHWARZER: Mr. Chairman, if you'd  
10 prefer that we defer the question about audits,  
11 I'm happy to do that. In the past, the  
12 Commission has been concerned about that topic.

13 CHAIRMAN GOLDNER: Oh, absolutely. We  
14 appreciate it. It was just a question for the  
15 Department. It's your preference. I just want  
16 to make sure that you get an opportunity to ask  
17 those questions. I'm just asking of the  
18 Department if you would prefer to do that in this  
19 proceeding or the next one?

20 MS. SCHWARZER: I was planning to  
21 support the rates as originally updated on  
22 October 16th, from the perspective of the Company  
23 and the Department. With the thought that, as  
24 Attorney Sheehan had suggested, in the event that



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 no adjustment is necessary, we will have  
2 completed what we need to do.

3 CHAIRMAN GOLDNER: That sounds  
4 constructive, yes.

5 MS. SCHWARZER: Okay.

6 CHAIRMAN GOLDNER: Let's proceed with  
7 that. Attorney Crouse has his hand up. Let's --

8 MR. CROUSE: Yes. Thank you.

9 I'm not objecting to the line of  
10 questioning from Attorney Schwarzer. But my  
11 understanding from the Chair was that we're  
12 carving out the issue of this winter offset.  
13 Just since the Department is asking this line of  
14 questions, I wanted to point out on the record  
15 that the OCA does view this as a harm to  
16 ratepayers. It seems inconsistent with the order  
17 saying that "The costs of remedying the  
18 accounting error should not be borne by  
19 ratepayers."

20 In the view of the OCA, this is not  
21 about a 32K issue, it's about over a \$750,000  
22 adjustment issue. And I just want to make sure  
23 that was flagged, since it's not something we're  
24 discussing today, due to the carve-out.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 CHAIRMAN GOLDNER: Okay. Good point,  
2 Attorney Crouse.

3 Let's do this, Attorney Schwarzer.  
4 Let's defer the audit Q&A to the next hearing,  
5 not to diminish the importance, but just to  
6 streamline the proceeding.

7 BY MS. SCHWARZER:

8 Q Then, let me just return to the October 16th  
9 updated filing. Having gone through the elements  
10 that the Department identified in its tech  
11 statement as resulting in conditional approval,  
12 would it be your understanding that everything in  
13 the October 16th updated filing corrected those  
14 matters, and that you had met the Department's  
15 concerns in that filing?

16 A (Maston) Yes. That is our understanding.

17 Q So, now, I'd like to talk to you about the change  
18 that the Company anticipates. If the  
19 October 18th rates are made effective, and how --  
20 how you've measured that.

21 So, specifically, your testimony, in  
22 Exhibit 10, on Bates Page 006, shows what you've  
23 called "rates effective November 1, 2023", and  
24 compares them to rates proposed for effect

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 November 1, 2024, correct?

2 A (Garcia) That's correct.

3 Q And you describe the change as, at least for the  
4 residential population, and for the winter, as an  
5 approximately 19 to 20 percent change, more or  
6 less?

7 A (Maston) Yes.

8 Q And that is using the rates as of November 1,  
9 2024 that you proposed on October 18th?

10 A (Garcia) Correct.

11 Q Would you agree that the November 1, 2023 rates  
12 do not reflect actual market rates for the last  
13 year?

14 A (Garcia) I'm not sure I understand what you mean  
15 by "actual market rates". Are you talking about  
16 the wholesale commodity costs? Or are you  
17 talking about retail rates from other  
18 jurisdictions?

19 Q Well, I'm talking about the average weighted cost  
20 of gas, and what ratepayers did, in fact, pay for  
21 the last twelve months?

22 A (Garcia) So, the question is, is that the initial  
23 rate proposed was greater than the WACOG, or what  
24 they call the "weighted average cost of gas"? Is

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           that -- I'm not quite sure I under the --

2    Q       Okay. My understanding about the point of trying  
3           to show percentage change in a proposed cost of  
4           gas is to compare that change with what  
5           ratepayers actually paid over the prior winter or  
6           prior summer period. Would you agree with that?

7    A       (Garcia) Oh, yes. Absolutely. As Mr. Sheehan  
8           indicated, there are several ways you can measure  
9           it. If there's a preferred way of reflecting the  
10          rate impact analysis, we're more than willing to  
11          utilize that.

12   Q       And, in terms of trying to think about the cost  
13          of gas increase sought here, Exhibit 12, which  
14          has not yet been testified to directly by our  
15          witness, uses the average weighted cost of gas,  
16          in Table 4-1 and 4-2, correct?

17   A       (Maston) Yes. I think, in the case of last year,  
18          because the rates consistently dropped throughout  
19          the period, the initial rate is not as true to  
20          what customers actually paid. In years when the  
21          rate fluctuates more in both directions, the  
22          initial rate may be a perfectly reasonable  
23          benchmark to measure the proposed rates against.

24   Q       Well, in comparing the table in Exhibit 10, on

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Page 6, with what's been marked "Exhibit 12", in  
2 terms of the bill impact for the winter,  
3 Exhibit 12 suggests that, for R-3 customers, the  
4 change between last winter's average weighted  
5 cost of gas and the proposed cost of gas is  
6 approximately 1.67 percent, correct?

7 A (Maston) Yes. That is correct.

8 Q And that's as compared to the table in  
9 Exhibit 10, on Page 6, that says 20 percent, the  
10 20 percent change in gas?

11 A (Maston) Yes. Those are the same rate classes.

12 Q Okay. And, then, for R-3, Residential-Heating,  
13 there's a drop in Exhibit 12 of 6.18 percent?

14 A (Maston) I believe that is the FPO-specific rate.

15 Q And what is the corresponding percentage for  
16 Exhibit 10, the table on Page 6?

17 A (Maston) The corresponding percentage is a 19  
18 percent decrease.

19 Q And, then, for R-4, in Exhibit 12, based on the  
20 average weighted cost of gas, shows an 11. --

21 *[Court reporter interruption.]*

22 BY MS. SCHWARZER:

23 Q -- an 11.92 percent decrease for the R-4 GAP.

24 And what is here, on Table 10, it shows a 19

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 percent decrease, correct?

2 A (Maston) Yes. The 6.18 percent decrease from  
3 Exhibit 12 is a total bill comparison, and so  
4 that takes into account all of the other rates  
5 that customers are being charged. And the table  
6 in Exhibit 10 that is showing a 20 percent  
7 decrease is simply a rate comparison.

8 Q But it's a rate comparison between proposed rates  
9 last year and proposed rates this year, correct?

10 A (Maston) Yes.

11 Q Okay. I don't need to go through all of the  
12 rates. But, with regard to -- is Liberty aware  
13 of whether the other gas utility makes a  
14 comparison for bill impacts using the prior  
15 year's proposed rates or the average weighted  
16 cost of gas rate?

17 A (Garcia) No. But, again, you know, we're  
18 amenable to whatever is the preferred way of  
19 looking at the impact. This is a very simplistic  
20 way of looking at it. The WACOG is a different  
21 perspective. But, going into a season, you don't  
22 know what the rate's actually going to be for all  
23 six months.

24 Q With regard to the percentage increases for the

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 summer period, would the Company agree that the  
2 reason the percentages are shown as quite high,  
3 both in Exhibit 12 and Exhibit 10, in excess of  
4 250 percent, is because of the SAP accounting  
5 error that resulted in a \$5 million  
6 over-collection and, therefore, artificially  
7 lower rates for the Summer Period of 2024?

8 A (Maston) Yes. The Summer of 2024 had extremely  
9 low rates because of that issue.

10 Q Could the panel comment briefly on why you --  
11 what factors you believe contribute to the rate  
12 changes, the cost of gas changes here for winter  
13 and for summer?

14 A (Tilbury) Can you -- I'm not sure. If you can  
15 repeat or rephrase the question, I would  
16 appreciate it.

17 Q Certainly. Looking at Exhibit 10 and Exhibit 12,  
18 the tables that we've been discussing, show a  
19 change in the proposed cost of gas as compared to  
20 last year. Could you comment briefly on the  
21 factors that result in those changes for the  
22 winter and the summer periods?

23 A (Tilbury) I apologize, I still don't -- you're  
24 asking the difference between the summer rates

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 and the winter rates?

2 Q No. I'm sorry, Mr. Tilbury.

3 A (Tilbury) Sorry.

4 Q That's okay. It's my job to ask you clear  
5 questions. You never need to apologize. I'm  
6 just wondering, we'll do season by season, for  
7 what reason do you believe there's a change in  
8 the winter rates that were in place last year and  
9 the winter rates that the Company has proposed to  
10 implement, based on the October 18th filing, for  
11 effect November 1?

12 A (Tilbury) I think, if I understand your question  
13 correctly, I think it's the lower cost of the  
14 commodity winter season over winter season. I  
15 think what we showed in the testimony is that the  
16 commodity cost is down as compared to last year.

17 Q Thank you. And could you answer the same  
18 question for the summer period?

19 A (Tilbury) Yes. I believe that's the same thing  
20 for the summer period as well.

21 MS. SCHWARZER: Thank you. I'm just  
22 going to do a brief check.

23 *[Short pause.]*

24 MS. SCHWARZER: I have no further



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 questions. Thank you very much.

2 CHAIRMAN GOLDNER: Thank you. We'll  
3 continue with cross with the Office of the  
4 Consumer Advocate.

5 MR. CROUSE: Thank you.

6 To the witnesses, it doesn't  
7 particularly matter which one of you answers the  
8 questions. So, if one of you feels you can  
9 backstop the other or has a better answer, please  
10 feel free to do so.

11 In light of the carve-outs, I have  
12 about ten questions. I think they're mostly just  
13 clarifications, not in-depth questions.

14 The two primary documents I'll be  
15 referencing involve confidential numbers. So,  
16 for the benefit of the court reporter and  
17 everyone else, the following will be  
18 confidential.

19 BY MR. CROUSE:

20 Q So, to begin with our first question, on  
21 Exhibit 10, Bates Page 038, Line 7 through 11,  
22 you don't need to reference this specifically,  
23 but the witness is right that the Company hedged  
24 Tennessee Zone 6 basis for January and February

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 of 2025. In response to the OCA's Data  
2 Request 1-1, Mrs. Esposito reported that the  
3 volume hedge for January was 3.1 million therms,  
4 and 1.4 million for February. Together, I see  
5 that's about 5 percent of the projected winter  
6 sales, showed in Cell L18 -- or, I'm sorry, I18  
7 of Peak Page 95. Does that sound correct?

8 A (Esposito) Yes.

9 Q I'm sorry, did I hear a "yes"?

10 A (Esposito) Yes.

11 Q Oh, thank you. Sorry, I'm under the weather, so  
12 the hearing --

13 A (Esposito) I am, too.

14 Q I understand. Thank you. The next question is,  
15 the basis under those contracts was approximately  
16 \$1.02, it's a little different, but I'm  
17 approximating per therm, for January, and about  
18 89 cents per therm for February. By themselves,  
19 these basis differentials are higher than the  
20 Company's proposed cost of gas over the whole  
21 winter of approximately 60 cents per therm in  
22 Cell J21. Is that correct?

23 A (Esposito) Yes.

24 Q Thank you. The future prices at Henry Hub were

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 approximately 35 cents per therm for January, and  
2 almost 34 cents per therm for February, as of  
3 Settlement 26. When adding these to the fixed  
4 basis differentials, I get 1.3756 per therm for  
5 January, and approximately \$1.23 per therm for  
6 February. To me, this seems about double the  
7 proposed cost of gas per therm over the whole  
8 winter. Does that sound correct? And please  
9 take your time.

10 A (Tilbury) Can you tell us what page you're  
11 referring to again? I apologize.

12 Q Sure. One second. This is based on the response  
13 to the OCA 1-1 question, originally filed in  
14 24-098, before the docket was bifurcated.

15 CMSR. CHATTOPADHYAY: Is what you're  
16 referring here, that's not part of any of the  
17 exhibits?

18 MR. CROUSE: I don't believe so, no.

19 CMSR. CHATTOPADHYAY: Okay. Just --

20 **BY THE WITNESS:**

21 A (Tilbury) So, I think we can, I think, from the  
22 Energy Procurement side, we can talk to the  
23 baseload hedged volume that you're talking about.  
24 But I'm not sure that we've compared it to the

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 overall cost.

2 BY MR. CROUSE:

3 Q Sure.

4 A (Tilbury) It's more a component of the cost of  
5 gas.

6 MR. CROUSE: Just one moment please.

7 [Atty. Crouse and Dir. Vatter  
8 conferring.]

9 MR. SHEEHAN: If I may, were you guys  
10 able to find OCA 1-1?

11 WITNESS GARCIA: Yes.

12 MR. SHEEHAN: Okay.

13 BY MR. CROUSE:

14 Q So, just -- sorry about that. For clarification,  
15 when I look at the table under Response 1-1(b),  
16 all we're looking at is the price listed for the  
17 citygate price and then dividing to get the per  
18 therm value?

19 A (Esposito) Correct.

20 Q Okay. That just leads to my next question, then.  
21 The Company did not hedge any gas during the  
22 months of November, December, or April, and I  
23 didn't see a mention of March. Am I correct?

24 A (Esposito) Correct.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q Okay. Thank you. So, given the volume of  
2 hedging was low --

3 MR. CROUSE: Sorry. My Director is  
4 correcting me.

5 BY MR. CROUSE:

6 Q Just to understand the difference between the  
7 non-Fixed Price Option and the Fixed Price  
8 Option, there's a 2-cent adder that's added,  
9 correct? It will be a 2-cent price higher than  
10 whatever the non-Fixed Price Option is, correct?

11 A (Garcia) That's correct.

12 Q So, given the volume of hedging was low, that the  
13 cost of what gas was hedged was well above the  
14 proposed cost of gas, and that a positive risk  
15 premium was added when customers hedge through  
16 the FPO, what we're really looking to understand  
17 is, will this winter's gas supply charge to  
18 residential customers, who do not choose the FPO,  
19 be closer to an expected spot price, or to a  
20 fixed, over time futures price?

21 A (Tilbury) So, two things. The fixed price, as I  
22 understand it, is based off of the residential  
23 overall costs, that include this one component,  
24 amongst many others, you know, such as our

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 transportation and our other purchases to meet  
2 our demand or our design day, is different from  
3 this one hedged piece of gas for just January and  
4 February. That's just one component of the  
5 supply to meet our demand.

6 MR. CROUSE: Thank you. Just one  
7 second.

8 *[Atty. Crouse and Dir. Vatter*  
9 *conferring.]*

10 BY MR. CROUSE:

11 Q My economist is just looking to clarify, is this  
12 an expected cost of gas that --

13 MR. CROUSE: Sorry, just one moment.  
14 I'm going to have him ask it, so I don't miss the  
15 translation.

16 BY MR. VATTER:

17 Q So, over time you lock in the prices of certain  
18 inputs, whereas the prices of other inputs are  
19 determined this coming winter, the prices of  
20 inputs, as determined this coming winter, would  
21 be an expected spot price, the prices that you've  
22 locked in for inputs over time in the past would  
23 be in the nature of a futures price. Is the cost  
24 of gas, 0.6088, closer to the former or the

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           latter?

2       A       (Tilbury) I would say that it's a blend of both  
3           of those, because of the fact that our fixed  
4           price, when you look at that as our storage, you  
5           know, we have an estimated cost of what our gas  
6           is in the ground coming for this upcoming winter,  
7           we have fixed the basis for this hedge, but we  
8           still are floating on NYMEX, which is also one  
9           component of this that goes into the cost of gas.  
10          And, then, all of our purchases are based off of  
11          an index, or a floating price, at multiple  
12          different locations.

13                   And, so, when we go to all the inputs,  
14           from all of the schedules on the Excel file that  
15           get pulled in, all add up and contribute to one  
16           component. And, then, you also end up having our  
17           storage, demand, and reservation fees, and then  
18           also other fees associated with interstate  
19           capacity that we reserve to be able to move all  
20           of those molecules to our citygates.

21                   So, the part that you're talking about  
22           with the hedged volume is one small part of our  
23           entire portfolio, if I'm understanding your  
24           question correctly.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q Of course, I understand that that's a small part.  
2 But it's just mentioned to show how much higher  
3 the part that was hedged cost, --

4 A (Tilbury) Correct.

5 Q -- and the overall cost of gas that you're  
6 reporting. So, given your familiarity with this  
7 analysis, would you be willing to opine on  
8 whether this is closer to something that's going  
9 to be determined this winter or that you've  
10 already locked in?

11 A (Tilbury) For the hedge, we locked in the basis.

12 Q I'm talking about the whole thing, right? You've  
13 got 0.6088, right? That's an expectation. Now,  
14 some of those components of that number are  
15 fixed, they're locked in, because of contracts  
16 you've written in the past, and the specific  
17 hedging that I mentioned, and that you've  
18 testified to. But other things will be  
19 determined this winter.

20 This is -- so, the question is, is this  
21 more going to be determined this winter, or is it  
22 more locked in?

23 A (Tilbury) More will be determined this winter.

24 MR. CROUSE: Thank you for the answers.



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 I'll just say I'm glad he asked them.

2 I just have a couple simple, more  
3 clarification questions.

4 BY MR. CROUSE:

5 Q I'm going to reference Row 64 of Peak Schedule  
6 Tab 6. Pardon me. I see that there's a tab  
7 called "Inputs-EST" that appears invisible. Can  
8 the Company explain why the tab is invisible?

9 A (Maston) Yes. The "Inputs-EST" tab is, I  
10 believe, over 700 lines of data. That, as part  
11 of the improvements we've been making to the  
12 Excel model this year, we have tried to  
13 consolidate all of the inputs in one place, so  
14 that we can more easily update them monthly, but  
15 also retain historical data in one place.

16 But it was hidden in the version that  
17 was filed, because it has just a huge amount of  
18 data, a lot of which is not directly applicable  
19 to the schedules that come from those inputs.  
20 And, so, just for simplicity, it was hidden.

21 Q Thank you. I have two remaining questions.  
22 Remaining with Peak Schedule, Tab 6, Row 65, if  
23 you remove the AMA credits during the winter  
24 season, and then divide the sum of the resulting

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 winter costs by the winter sales in Cell I18 of  
2 the Peak Page 95 tab, it gives approximately 47  
3 cents per therm. And that seems to differ from  
4 the rate per therm in Cell J12 by what seems to  
5 be a plausible rounding error. I just want to  
6 make sure that's the correct way to calculate the  
7 rate per therm at Cell J12?

8 A (Maston) Can you walk me through those numbers  
9 again?

10 MR. CROUSE: I'd be happy to let my  
11 economist speak the math.

12 BY MR. VATTER:

13 Q So, remove the AMA credits from Row 65 of Peak  
14 Schedule 6, during the winter season, and then  
15 divide the sum of the resulting winter costs by  
16 the winter sales in Cell I18 of Peak Page 95.

17 A (Maston) Are you asking what that difference  
18 would be?

19 Q Well, so, you get something that's very close to  
20 what you have in Cell J12. Is the calculation  
21 that I just walked through, would that be a valid  
22 way to calculate the value in Cell J12?

23 A (Tilbury) Yes, I think I would have to answer  
24 that, is we -- I haven't done that analysis,

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           because we haven't backed out the AMA credits  
2           from anything, as they are a benefit to the  
3           customer, offsetting the cost.

4                       And, so, I would have to take that as,  
5           you know, a data request or something and get  
6           back to that, --

7                       MR. CROUSE:   Okay.

8           **CONTINUED BY THE WITNESS:**

9           A       (Tilbury) -- and get an answer back to that.

10                      MR. CROUSE:   We appreciate your  
11           response.   Thank you.

12           BY MR. CROUSE:

13           Q       The last question that I have, I will conclude my  
14           cross for the Company's witnesses, is that the  
15           hedge contract savings in Cell J14 consist only  
16           of these AMA credits, which are the same for all  
17           winter months, though the Company did not hedge  
18           any gas during the months of November, December,  
19           nor April.   So, why then do the hedge contract  
20           savings apply during all winter months?

21           A       (Tilbury) Please bear with me.   I'm working my  
22           way through some cells, --

23           Q       I understand.

24           A       (Tilbury) -- with some references.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 Q Please take your time.

2 A (Tilbury) And the original source was on Pk  
3 Page 95 is the reference that you're talking to,  
4 to the hedge contract savings?

5 Q Yes. In Cell J14.

6 A (Tilbury) Yes. Those are actually the AMA  
7 credits, and not hedge credits. Those are not --  
8 those don't have anything to do with the actual  
9 hedging. They're labeled "hedge credits", but  
10 they're actually AMA credits.

11 MR. CROUSE: Okay. Thank you. Just  
12 one moment for me to confer.

13 *[Atty. Crouse and Dir. Vatter*  
14 *conferring.]*

15 MR. CROUSE: I think, to save everyone  
16 time, I'll let the economist speak to this.

17 BY MR. VATTER:

18 Q Okay. Hello. So, what's in Cell J14 is only the  
19 AMA credits, as you just said. But they're  
20 called "hedge contract savings"?

21 A (Tilbury) That is correct.

22 Q And, in your data response to OCA 1-1, you said  
23 you "did not hedge any gas during November,  
24 December, or April." But the AMA credits apply

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 in all of the winter months. Why?

2 A (Tilbury) The AMA is an asset management  
3 arrangement that is related to transportation,  
4 and having an asset manager with our  
5 transportation on Tennessee, and not associated  
6 with the hedged -- the physical basis hedge that  
7 we do, because that's an actual delivered supply  
8 of gas.

9 Q So, these are just two different uses of the word  
10 "hedge"?

11 A (Tilbury) Yes.

12 MR. CROUSE: Thank you. Just a moment  
13 to confer, but I believe I have no other  
14 questions.

15 *[Atty. Crouse and Dir. Vatter*  
16 *conferring.]*

17 MR. CROUSE: That concludes our  
18 questions. I appreciate the Company's answers.  
19 Thank you.

20 CHAIRMAN GOLDNER: Okay. We'll turn  
21 now to Commissioner questions, beginning with  
22 Commissioner Chattopadhyay.

23 CMSR. CHATTOPADHYAY: Just a comment  
24 first. I think some of the questions could have

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           been addressed in sort of a technical session,  
2           rather than going back and forth here. That's  
3           just my opinion.

4                        I will note that we had a similar  
5           situation like this, a correction going on last  
6           year. And we have a different kind of correction  
7           this year. So, I'm beginning to, you know, sort  
8           of I'm not very -- I'm sort of provisionally  
9           confident in what you have, as far as the rates  
10          are concerned. So, I'm just going to -- that's  
11          just a comment.

12 BY CMSR. CHATTOPADHYAY:

13 Q       Can you tell me, the errors that you noticed in  
14       January, February, is that, like, recurring, or  
15       it just happened only this time?

16 A       (Tilbury) That was an error that just happened  
17       this time.

18 Q       So, you have -- you're absolutely sure, that you  
19       looked back, that that's not something that was  
20       coded in from before?

21 A       (Maston) Yes. This was not something that was in  
22       prior models. A lot of us up here are brand new  
23       to this model, and we were working on doing a lot  
24       of cleanup to try to make it easier to use, and

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 eliminate errors. And this was something that  
2 got incorrectly input this year only.

3 Q Are you absolutely certain that there may not be  
4 other errors like that by the time we have  
5 another look at it?

6 A (Garcia) That impact the rates?

7 Q Yes.

8 A (Tilbury) "Absolutely" is a very strong word.

9 Q Yes, sir.

10 A (Tilbury) And, you know, I think we're  
11 comfortable that this, the data that's coming out  
12 of this, is a representation of an accurate  
13 forecast for this upcoming winter and summer.  
14 But, like I said before, this is a very big  
15 spreadsheet, with a lot of cells and a lot of  
16 data that goes into it. And, you know, as we go  
17 through the spreadsheet multiple times, and you  
18 look at it with fresh eyes, something like this  
19 stood out. And it was a material change, so we  
20 brought it forward.

21 And, you know, if we see other things  
22 that are nonmaterial, you know, it's a fix for  
23 next time or we adjust it in the trigger filings.  
24 But, ultimately, this was a big one. So, we had

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 to bring it to the attention.

2 CMSR. CHATTOPADHYAY: Thank you.

3 That's all I have.

4 CHAIRMAN GOLDNER: I have no further  
5 questions for the witnesses. I do want to do a  
6 quick check-in before we go to redirect.

7 So, I would just like to go around to  
8 the parties quickly here and just ask what they  
9 propose that we find in this order, starting with  
10 the Company?

11 Just want to make sure that we issue an  
12 order that is in alignment with the expectation  
13 of the parties.

14 MR. SHEEHAN: Sure. And I don't have  
15 any redirect. I think we've covered the  
16 important questions.

17 Our request is that you approve the  
18 rates that Ms. Maston identified in that  
19 schedule. And that is all the cost of gas rates  
20 that go into effect November 1. And, of course,  
21 subject to the usual language with the so-called  
22 "trigger filings".

23 That would get us going November 1.  
24 And, then, whatever happens after that, we can



[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 adjust as appropriate.

2 CHAIRMAN GOLDNER: Okay. Department?

3 MS. SCHWARZER: Thank you,

4 Mr. Chairman.

5 The Department would ask that Liberty's  
6 proposed rates as stated October 18th be put into  
7 effect. But we would ask that the Commission  
8 order reflect the winter and summer bill impacts,  
9 and the comparison for the past year's cost of  
10 gas and the proposed cost of gas, consistent with  
11 Exhibit 12 and the average weighted cost of gas.

12 CHAIRMAN GOLDNER: Any objection,  
13 Attorney Sheehan?

14 MR. SHEEHAN: No. And, as Mr. Garcia  
15 said, we can propose impacts any different ways.  
16 We'll do whatever you want us to do.

17 CHAIRMAN GOLDNER: Thank you. Attorney  
18 Crouse?

19 MR. CROUSE: Thank you.

20 A number of the OCA's concerns have  
21 been carved out. The point of our questioning  
22 was to help establish Dr. Vatter's alternative  
23 cost of commodity being approximately 75 cents  
24 per therm.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1           So, with that in mind, if there is a  
2           provisional rate that gets approved, the OCA is  
3           find with that, so long as we're not giving up  
4           our right to basically testify to what we think  
5           the true cost of commodity would be.

6           CHAIRMAN GOLDNER:   Okay.   Thank you.  
7           I'll just always circle back with the Company to  
8           see if there is any objections to what Attorney  
9           Crouse suggested?

10          MR. SHEEHAN:   No.

11          CHAIRMAN GOLDNER:   Okay.   And the DOE,  
12          any objections to what Mr. Crouse suggested?

13          MS. SCHWARZER:   No objections.   The  
14          Department similarly would feel free to raise  
15          other issues for permanent rates that we forgo --  
16          that were forgone here.

17          CHAIRMAN GOLDNER:   Thank you.  
18          Commissioner Chattopadhyay.

19          CMSR. CHATTOPADHYAY:   Just quickly.

20   BY CMSR. CHATTOPADHYAY:

21   Q       This is Exhibit 10.   The rates that you are  
22           proposing are in Bates Page 006?

23   A       (Maston) Yes.

24   Q       Those are the rates that you're proposing?

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 A *[Witness Maston indicating in the affirmative].*

2 CMSR. CHATTOPADHYAY: Okay. I just  
3 want to make sure what the order will reflect.  
4 Okay. Thank you.

5 CHAIRMAN GOLDNER: Okay. And, then,  
6 the follow-on question, and I'll dismiss the  
7 witnesses here in a moment, is would the parties  
8 be comfortable proposing a schedule offline after  
9 this hearing is over, to sort out the carve-out  
10 issues, and the time line, procedural schedule  
11 for that? Would that be something the Company  
12 could drive?

13 MR. SHEEHAN: Yes.

14 CHAIRMAN GOLDNER: Thank you. Do the  
15 other parties have any concerns with setting a  
16 procedural schedule for these carved-out issues?

17 MS. SCHWARZER: We have no concern,  
18 except that I believe the parties are thinking of  
19 a carved-out schedule for all but the provisional  
20 rate for sometime in February or March of 2025,  
21 so long as that's acceptable to the Commission.

22 CHAIRMAN GOLDNER: Consumer Advocate?

23 MR. CROUSE: I have no objection to the  
24 course of action laid out before us.

[WITNESS PANEL: Garcia|Maston|Tilbury|  
Esposito|Summerfield]

1 CHAIRMAN GOLDNER: Attorney Sheehan,  
2 would that be an acceptable timeline?

3 MR. SHEEHAN: Yes.

4 CHAIRMAN GOLDNER: Okay. Okay. All  
5 right.

6 So, first, I'll dismiss the witnesses.  
7 And then, I'll just, so we can make sure the  
8 seating is right, do the parties plan to present  
9 their witnesses today relative to these  
10 provisional rates, or will you defer your witness  
11 testimony for later?

12 MS. SCHWARZER: Mr. Chairman, we would  
13 very briefly request that our witnesses be given  
14 the opportunity to update Exhibit 6.

15 CHAIRMAN GOLDNER: Okay.

16 MS. SCHWARZER: And very, very briefly,  
17 maybe a handful of questions, no more than  
18 fifteen minutes, I would imagine.

19 CHAIRMAN GOLDNER: Okay. Attorney  
20 Crouse?

21 MR. CROUSE: Thank you. I have  
22 approximately about four questions that I would  
23 ask of Dr. Vatter, to talk about the cost of  
24 commodity in his tech statement. And I do think

[WITNESS PANEL: Blair|Alam]

1 that would speak to the provisional rate that the  
2 Commission is contemplating. I would envision  
3 that might take approximately five to ten minutes  
4 to succinctly get through them.

5 CHAIRMAN GOLDNER: Okay. All right.  
6 So, the Company witnesses are dismissed. You may  
7 return to your seats.

8 We'll invite the Department witnesses  
9 to the stand and swear them in shortly.

10 *[Short pause for change of witness*  
11 *panel.]*

12 CHAIRMAN GOLDNER: Okay. I'll swear in  
13 the witnesses.

14 *(Whereupon **BRUCE L. BLAIR** and*  
15 ***ASHRAFUL ALAM** were duly sworn by*  
16 *Chairman Goldner.)*

17 WITNESS BLAIR: I do.

18 WITNESS ALAM: I do.

19 CHAIRMAN GOLDNER: Thank you. And the  
20 witnesses are ready for direct.

21 And, Attorney Schwarzer, just as a  
22 quick reminder, if we could just focus on  
23 anything that the Department wants to put forward  
24 to support its proposal for the Commission to

[WITNESS PANEL: Blair|Alam]

1 approve provisional rates on November 1st.

2 Thank you.

3 MS. SCHWARZER: Certainly, Mr.

4 Chairman. And please don't hesitate to let me  
5 know if you think I stray. Not that you would.

6 CHAIRMAN GOLDNER: Thank you.

7 **BRUCE L. BLAIR, SWORN**

8 **ASHRAFUL ALAM, SWORN**

9 **DIRECT EXAMINATION**

10 BY MS. SCHWARZER:

11 Q Could you each please state your name for the  
12 record and your title with the Department?

13 A (Blair) My name is Bruce Blair. I'm a Public  
14 Utility Analyst for the Department of Energy for  
15 New Hampshire.

16 A (Alam) My name is Ashraful Alam. And I am a  
17 Utility Analyst with New Hampshire Department of  
18 Energy.

19 Q Have each of you testified before the Public  
20 Utilities Commission before?

21 A (Blair) I have.

22 A *[Witness Alam indicating in the affirmative].*

23 Q Thank you. And did you prepare or assist in the  
24 preparation of what's been marked as "Exhibit 6",

[WITNESS PANEL: Blair|Alam]

1 the Department's technical statement dated  
2 October 14th, 2024?

3 A (Alam) Yes, we did.

4 A (Blair) Yes.

5 Q Are there any corrections that either of you  
6 would like to make to this testimony?

7 A (Alam) Yes, there are several corrections. So,  
8 the first one is the updated table, Table 3, 4.1,  
9 and 4.2, which is reflected in Exhibit 12.

10 Q Why are you substituting -- what caused you to  
11 create Exhibit 12, to substitute for the tables  
12 that you've identified on Exhibit 6, Page 4, and  
13 I believe 5?

14 A (Alam) These tables were updated based on the  
15 revised filing by the Company on October 18.

16 Q Thank you. Are there other changes that you  
17 would like to make?

18 A (Alam) Yes. Two small changes in Page 3,  
19 Exhibit 6.

20 Q Thank you. What change would you like to make?

21 A (Alam) Okay. So, in the "Bill Impact" paragraph,  
22 second last line, it says "and keeping the  
23 existing LDAC rates", instead of "rates", it  
24 should say "rate".

[WITNESS PANEL: Blair|Alam]

1 Q Singular?

2 A (Alam) Singular. And the next one is, in that  
3 line, in the last, "along with the same LDAC  
4 rates", and it should say "along with last year's  
5 pre-approved LDAC rates".

6 Q Thank you. Are there any other corrections that  
7 you wish to make?

8 A (Alam) Yes. Small correction in Bates Page 006,  
9 first paragraph, it identifies the Docket Number  
10 "DG 24-098". It should be "DG 24-106".

11 Q And is the source of that change because,  
12 initially, the cost of gas filing was part of  
13 DG 24-098, and later separated?

14 A (Alam) Yes.

15 Q Are there any other changes that either of you  
16 wish to make to what's been marked as  
17 "Exhibit 6"?

18 A (Alam) No.

19 Q Mr. Blair?

20 A (Blair) No.

21 Q Do you each accept what's been offered in  
22 Exhibit 6 as your testimony today as fully  
23 accurate as if you had offered it today?

24 A (Alam) We do.

{DG 24-106} {10-24-24}



[WITNESS PANEL: Blair|Alam]

1 A (Blair) We do. Yes.

2 Q Is the Company's recommendation that the  
3 October 18th rates be approved provisionally,  
4 based upon the understanding that the summer  
5 on-bill credit proposed in Docket Number 23-076  
6 has been backed out of the proposed rates here?

7 A (Alam) Yes.

8 A *[Witness Blair indicating in the affirmative].*

9 Q And, so, if the relief granted in 23-076 were  
10 different than contemplated by the parties, would  
11 you wish to revisit your recommendations in your  
12 assessment for the approval of those rates?

13 A (Alam) Yes.

14 Q If I could turn your attention to the \$32,000  
15 that Liberty testified it was willing to forgo,  
16 did you hear -- you heard Liberty testify about  
17 that \$32,000 amount?

18 A (Blair) Yes.

19 Q And they described it as a "net of interest  
20 costs"?

21 A (Blair) Yes.

22 Q Mr. Blair, what is the Department's position with  
23 regard to harm that resulted to winter customers  
24 following the SAP accounting error last year?

[WITNESS PANEL: Blair|Alam]

1 A (Blair) We believe that the harm that existed --  
2 could you restate your question?

3 Q Sure. You heard the Company testify that the  
4 \$32,000, approximately, in interest costs that  
5 they were willing to forgo, in the Company's  
6 opinion, resulted in no harm to winter customers.  
7 Do you agree with the Company's position?

8 A (Blair) Yes.

9 Q And, in your opinion, does the FPO letter need to  
10 be adjusted in any way, based upon the Company's  
11 late discovery of the \$6 million error and the  
12 October 18th filing?

13 A (Blair) No.

14 MS. SCHWARZER: With the understanding  
15 that we're focused uniquely on the provisional  
16 order, the Department has no further questions.

17 CHAIRMAN GOLDNER: Thank you, Attorney  
18 Schwarzer.

19 We'll turn now to the Company for any  
20 cross of the DOE witnesses.

21 MR. SHEEHAN: I have no questions.

22 Thank you.

23 CHAIRMAN GOLDNER: Consumer Advocate?

24 MR. CROUSE: I have no questions. I

[WITNESS PANEL: Blair|Alam]

1 would just repeat my first verse, that the OCA is  
2 in disagreement about the winter customers being  
3 used as an offset. But, since that's carved out,  
4 we won't address it at this time on cross.

5 CHAIRMAN GOLDNER: Thank you, Attorney  
6 Crouse.

7 Commissioner Chattopadhyay?

8 CMSR. CHATTOPADHYAY: No questions.

9 CHAIRMAN GOLDNER: And the Chair has no  
10 questions. We'll move to any redirect?

11 MS. SCHWARZER: None, Mr. Chairman.  
12 Thank you.

13 CHAIRMAN GOLDNER: Thank you. And I'll  
14 thank the witnesses for their testimony today.  
15 The witnesses are excused.

16 And we'll invite Dr. Vatter to the  
17 stand, get settled in. And, then, we need to  
18 take a stop at 3:00. So, we'll see how far we  
19 can get by 3:00.

20 MR. CROUSE: I'm optimistic we'll be  
21 done by then.

22 CHAIRMAN GOLDNER: All right.

23 MS. SCHWARZER: Mr. Chairman, is the  
24 entire hearing ending at 3:00 or we're taking a

[WITNESS: Vatter]

1 recess?

2 CHAIRMAN GOLDNER: Oh, no. I'm sorry.

3 We just need to take a break at 3:00.

4 *[Short pause for change of witnesses.]*

5 CHAIRMAN GOLDNER: Okay. I'll now

6 swear in the witness.

7 *(Whereupon **MARC H. VATTER** was duly*

8 *sworn by Chairman Goldner.)*

9 WITNESS VATTER: Yes.

10 CHAIRMAN GOLDNER: All right. The

11 witness is ready for direct.

12 MR. CROUSE: Thank you.

13 **MARC H. VATTER, SWORN**

14 **DIRECT EXAMINATION**

15 BY MR. CROUSE:

16 Q Dr. Vatter, would you please briefly state your  
17 name and position at the OCA?

18 A Marc Vatter, Director of Economics and Finance at  
19 the OCA.

20 Q Thank you. Have testified before this PUC?

21 A Yes.

22 Q Thank you. Can you provide a very brief summary  
23 of your education and experience?

24 A I have a Ph.D in Economics. And I've been doing

[WITNESS: Vatter]

1           mostly work in the energy space for decades.

2   Q       Was the tech statement marked as "Exhibit 5"  
3           prepared by you?

4   A       Yes.

5   Q       Do you have any corrections to offer at this  
6           time?

7   A       No.

8   Q       Do you adopt your tech statement as your sworn  
9           testimony as if you had made it today?

10   A       Yes.

11   Q       Thank you. Dr. Vatter, in your tech statement  
12           you recommended a winter cost of commodity of  
13           approximately 75 cents per therm. What does that  
14           represent?

15   A       That represents the Algonquin citygate's indexed  
16           future price on the Intercontinental Exchange as  
17           of September 16th, weighted by forecasted winter  
18           residential use, less a futures market risk  
19           premium, that I estimate to be \$0.0433 per therm.

20           It is the expected winter average of  
21           the spot "cost of purchasing, storing, and  
22           transmission of gas through interstate  
23           pipelines", and that language is from the  
24           explanatory text on a residential bill with

[WITNESS: Vatter]

1           respect to the gas supply charge.

2                       It is not the cost of commodity  
3           delivered farther upstream, as the term  
4           "commodity" is used in Cell A12 of the Company's  
5           confidential Excel. It can be differentiated by  
6           month readily, and updated.

7   Q       Thank you. Do prices along the Algonquin gates  
8           differ appreciably from those at the Dracut hub,  
9           or along the Tennessee Pipeline in Zone 6 in New  
10          England?

11   A       No. Refer to Figure 1, which shows the prices  
12          from Algonquin and Dracut since 2014.

13   Q       Is the geographic origin of gas or the amount of  
14          time it has spent in storage relevant to the  
15          price it fetches along the Algonquin gates on the  
16          given date of delivery?

17   A       No. Wholesale transmission and storage costs  
18          between each point of origin and the Algonquin  
19          gates are reflected in the price there. Only by  
20          locking in the costs of transmission and storage,  
21          at a time when they were low, could the Company  
22          beat the spot market in New England this winter.

23   Q       How long has it been since natural gas prices in  
24          New England were last low?

[WITNESS: Vatter]

1 A Referring again to Figure 1, about four years.  
2 But, abstracting from seasonal variation, they  
3 were no lower at any time since 2014 than they  
4 have been this year. Futures curves tend to  
5 shift up and down as spot prices rise and fall.  
6 I do not know when the Company would have had a  
7 good opportunity to lock in lower transmission  
8 and upstream storage components of the cost of  
9 delivery in New England than it could have locked  
10 in this year. So, I do not think that the  
11 futures curve, as of September 16th, was too high  
12 for the way I used it.

13 Q Thank you. Having heard responses from both the  
14 Company's witnesses and the Department, is there  
15 anything that you wish to address?

16 A I'd like to note the Company's response to the  
17 question about whether the 0.6088 per therm cost  
18 of gas, which is exactly what's used for the gas  
19 supply charge, was more something that would be  
20 determined this winter or that it's more locked  
21 in? And the Company's response was that it is  
22 more something that would be determined this  
23 winter. That is to say, it's comparable to a  
24 spot price, which is what I've estimated.

[WITNESS: Vatter]

1                   We are concerned about an  
2                   under-collection. The Company has come in 15  
3                   cents below where we think the spot market is  
4                   going to be. And the method for forecasting the  
5                   spot market that we used was straightforward. We  
6                   looked at the futures curve and took off a risk  
7                   premium, which is just the average risk premium  
8                   over the winter season over a long period of  
9                   time.

10                   Now, if you take off two cents, you get  
11                   an even higher number and a bigger  
12                   under-collection. I don't think you should take  
13                   off two cents, but we're carving that out.

14                   So, the basic issue we're raising is,  
15                   how could the Company expect to beat the market  
16                   by so much? And, if they convince you, through  
17                   their filing, that they have, fine. People do  
18                   beat the market sometimes. But it's a big  
19                   difference.

20                   MR. CROUSE: Thank you, Dr. Vatter. I  
21                   have no further questions. Our witness is open  
22                   to cross.

23                   CHAIRMAN GOLDNER: Okay. We'll start  
24                   with the Company.



[WITNESS: Vatter]

1 MR. SHEEHAN: Based on what I believe  
2 to be the OCA's position, that they are okay with  
3 the Commission approving the rates that's  
4 contained in Exhibit 10, I don't have any  
5 questions for Dr. Vatter, because I think his  
6 testimony really goes to "should we be  
7 reconfiguring our entire approach to buying gas?"  
8 And that's certainly not within the scope of this  
9 proceeding.

10 So, I have no further questions.

11 CHAIRMAN GOLDNER: Thank you. Attorney  
12 Schwarzer?

13 MS. SCHWARZER: Thank you, Mr.  
14 Commissioner.

15 It's the Department's understanding  
16 that this issue has been carved out, and we'll  
17 put together a procedural schedule. That's my  
18 understanding.

19 So, I don't have questions for Dr.  
20 Vatter at this time, but I appreciate his  
21 testimony.

22 CHAIRMAN GOLDNER: Thank you.  
23 Commissioner Chattopadhyay?

24 CMSR. CHATTOPADHYAY: Respecting that

[WITNESS: Vatter]

1           this issue, in my opinion, has been carved out,  
2           I'm not going to ask any questions now. You  
3           know, in the sense that I'm not going to get into  
4           in-depth questions.

5                           But just one very quick one.

6 BY CMSR. CHATTOPADHYAY:

7 Q       So, the price that you're "proposing", within  
8       quotes, anyways was "0.7587". Relative to what  
9       is in the filing by the -- you know, that's being  
10       proposed by the Company, provisionally, is you --  
11       you're not saying that there may not -- let me be  
12       careful how I put it. So, they're -- the Company  
13       does hedge, right? There is a percentage of the  
14       procurement that is hedged procurement, correct?

15 A       Some. Some percentage, as I understand it.

16 Q       So, the price --

17 A       The Company has a low -- relatively low  
18       percentage.

19 Q       Yes. And I don't know what that low percentage  
20       is, but --

21 A       Neither do I.

22 Q       So, the answer may be somewhere between 75 and  
23       60, if, you know, take account of the hedging?

24 A       Yes. And they would have done a very good job to

[WITNESS: Vatter]

1 get the expected costs that low. But, as I said,  
2 the futures curves tend to shift up and down as  
3 spot prices go up and down. The market is low  
4 right now. So, I'm skeptical that they would  
5 have had a good opportunity to lock in a much  
6 lower price through whatever means they used.

7 CMSR. CHATTOPADHYAY: Okay. Thank you.

8 CHAIRMAN GOLDNER: Thank you. And I  
9 have no further questions for Dr. Vatter.

10 Attorney Kreis -- Crouse, sorry.

11 MR. CROUSE: I'm not wearing my bow tie  
12 today.

13 CHAIRMAN GOLDNER: I was eventually  
14 going to do that on accident. So, sorry about  
15 that, Attorney Crouse.

16 MR. CROUSE: I have no questions for  
17 redirect. Thank you.

18 CHAIRMAN GOLDNER: Thank you.

19 Okay. The witness is excused. Thank  
20 you, Dr. Vatter.

21 Let's take a brief break, and come back  
22 at 3:10 to wrap up with closing.

23 *(Recess taken at 3:02 p.m., and the*  
24 *hearing reconvened at 3:12 p.m.)*

1           CHAIRMAN GOLDNER: Okay. Let's just  
2 take care of an administrative issue first.

3           So, having heard no objections to the  
4 proposed Exhibits 1 through 12, the Commission  
5 will strike ID and enter them into evidence.

6           Number two, I just want to, before we  
7 go to close, just highlight where I think we  
8 landed. Which is the parties are requesting  
9 provisional rates for the FPO and regular options  
10 effective November 1st. The next step would be a  
11 December hearing, where, if any changes are -- if  
12 there's any errors or anything else that's found,  
13 in the December hearing, if needed, the  
14 Commission would finalize the rates for the  
15 winter period, and summer, if applicable, in  
16 December. And, then, in the February/March time  
17 period, I think what I heard was the carve-out  
18 issues would be addressed in that timeframe, so  
19 that the parties have enough time to really pull  
20 together a case, because these are pretty --  
21 pretty large cost of gas issues.

22           Did I summarize that correctly?  
23 Attorney Crouse.

24           MR. CROUSE: Yes. I'd just like to

1 offer one clarifying point. Attorney Sheehan  
2 asked a fair question in the brief interim that  
3 we just -- he wanted to better understand what  
4 the OCA's position was regarding the testimony of  
5 Dr. Vatter.

6 We just wanted to clarify that, in  
7 terms of what is or is not getting carved out,  
8 for the cost of commodity in his testimony, the  
9 OCA is not proposing changes in how Liberty  
10 procures gas, but, rather, the OCA is proposing  
11 the way the price of what is procured is  
12 forecasted. The concern really is that the spot  
13 market is below what the future price is  
14 indicating, that could result in an  
15 under-collection, and then, therefore, I think  
16 it's an eight and a half percent rate of interest  
17 that customers would ultimately pay back to the  
18 Company.

19 So, we wanted to make sure that, in  
20 terms of carve-outs, that's what our cost of  
21 commodity was addressing. It's not changes to  
22 how the Company systemically procures its gas.

23 CHAIRMAN GOLDNER: Okay. And just to  
24 see if I can repeat that back. So, that would be

1 an excellent topic for the February/March  
2 timeframe, where we're sort of strategically  
3 looking at cost of gas, as opposed to the  
4 tactical issue of winter and summer rates in the  
5 short term.

6 Would you agree, Attorney Crouse?

7 MR. CROUSE: I think that's right. And  
8 I see Attorney Sheehan nodding. So, I think I  
9 have answered his question?

10 MR. SHEEHAN: Yes. And -- yes. What I  
11 was going to say is, I'm going to offer to the  
12 OCA and DOE to sit down with the folks behind me,  
13 and spend an afternoon explaining what we do, how  
14 we do it, and, hopefully, close some of the  
15 information gaps that seem apparent today. And,  
16 then, we may be able to address the merits of Dr.  
17 Vatter's requests.

18 CHAIRMAN GOLDNER: Excellent. And I  
19 think we -- the Company had offered to pull  
20 together a procedural schedule, so that we can  
21 have a timeline for the December and, eventually,  
22 February/March portions of the process.

23 Attorney Schwarzer, any concerns from  
24 your side? That all makes sense?

1 MS. SCHWARZER: No concerns. Thank you  
2 very much, Mr. Chairman.

3 CHAIRMAN GOLDNER: Okay. Thank you.  
4 Well, we can now, I think, move to  
5 close, and begin with the Department of Energy.

6 MS. SCHWARZER: Thank you, Mr.  
7 Chairman.

8 The Department, as has been stated  
9 before, supports, on a provisional basis, the  
10 rates Liberty filed October 18th, 2024, with the  
11 understanding that we support the percentage  
12 increase and the bill impact as reflected in our  
13 witnesses' Exhibit 12.

14 CHAIRMAN GOLDNER: Thank you, Attorney  
15 Schwarzer. Attorney Crouse.

16 MR. CROUSE: Thank you.

17 The OCA came in with a number of  
18 concerns that have been carved out, and we will  
19 address at those carve-outs. The OCA's  
20 understanding is that the rates being proposed  
21 are provisional. And, with the OCA supporting,  
22 we're not giving up our right to address our  
23 substantive concerns, and, therefore, are fine  
24 with the provisional rate, so long as we get to

1 address those concerns at a later time.

2 CHAIRMAN GOLDNER: Understood. Thank  
3 you, Attorney Crouse. And, finally, Attorney  
4 Sheehan and the Company.

5 MR. SHEEHAN: Thank you.

6 To echo, we are proposing the  
7 Commission approve the rates that we were  
8 identifying on Bates 006 of the Company's most  
9 recent filing. We have no objection to the  
10 provisional nature.

11 My expectation for December is to look  
12 at the reasons for the second update, and either  
13 (a) confirm those, the update's accurate, and  
14 there's no need for action in December, or, if  
15 there is a need, you'll hear from us, or others,  
16 that we need to do something based on that. So,  
17 that's it.

18 And, to the extent that I will offer to  
19 the OCA and DOE a session with our Energy  
20 Procurement group, I would offer to the  
21 Commission, too. I think, I hear from these  
22 folks other commissions have information  
23 sessions, where people come in a room, in effect,  
24 a non-docketed tech session, where you guys could



1 ask questions of "why do you do this?", and "how  
2 about that?", kind of thing. I'm making the  
3 offer. And I know there's all kinds of logistics  
4 behind that, but it stands. So, --

5 CHAIRMAN GOLDNER: And we do appreciate  
6 the offer, and may very well take you up on it.  
7 We have Dr. Rosenblum in the back, who's just  
8 joined us in the last month or so. And we have  
9 two new employees starting in the next couple of  
10 weeks. So, the timing on that would be very  
11 helpful to the Commission's technical folks.  
12 So, --

13 MR. SHEEHAN: And we're very aware that  
14 Northern has a completely different portfolio and  
15 different approaches. So, maybe both of us in  
16 the room, you could compare and contrast, and  
17 help make these hearings go more smoothly.

18 CHAIRMAN GOLDNER: Absolutely. Thank  
19 you for the offer, Attorney Sheehan.

20 MS. SCHWARZER: Mr. Chairman?

21 CHAIRMAN GOLDNER: Yes.

22 MS. SCHWARZER: Could other parties  
23 attend those sessions as well?

24 CHAIRMAN GOLDNER: Oh, of course. Yes.

1 Yes. And we are wary of *ex parte* in all --  
2 everywhere. So, we would -- everyone would be  
3 invited.

4 Okay. Very good. Is there anything  
5 else that we need to cover today?

6 *[No verbal response.]*

7 CHAIRMAN GOLDNER: All right. Well,  
8 thank you, everyone, for their time today,  
9 especially the witnesses.

10 The Commission will issue an order in  
11 advance of November 1st. Attorney Sheehan, is  
12 there a timeframe you need, or any time before  
13 the 1st would be okay?

14 MR. SHEEHAN: So, we're aware, in the  
15 Keene case, that we're pushed right up to that,  
16 and we appreciate the Commission's schedule  
17 crunch.

18 It's an effort that takes a couple  
19 days. And, so, if it's over a weekend, that's  
20 what happens. So, that's really it. So, as Mr.  
21 Garcia said, "the sooner the better." But  
22 there's no -- there really isn't a drop-dead  
23 date, other than the 1st.

24 CHAIRMAN GOLDNER: Okay. Well, we'll

1 make every effort to get it out well in front of  
2 the 1st.

3 MR. SHEEHAN: We appreciate that.

4 CHAIRMAN GOLDNER: But, certain -- but  
5 no later than the 31st. And I think we can  
6 probably get it done before the 31st.

7 So, anything else that we need to cover  
8 today, I'll just double-check?

9 MS. SCHWARZER: Mr. Chairman, just out  
10 of an abundance of caution, the summary that  
11 Attorney Sheehan gave, we did omit some of the  
12 testimony about audit results and NYMEX rates, in  
13 deference to the wish to move the hearing along  
14 further. And, so, we would feel free, as does  
15 the OCA, to include other issues than those that  
16 are carved out.

17 CHAIRMAN GOLDNER: Thank you.

18 Okay. Thank you, everyone, for your  
19 time again today. The hearing is adjourned.

20 ***(Whereupon the hearing was adjourned***  
21 ***at 3:18 p.m.)***